

ACQUISITION MISSION REVIEW

OCTOBER 2006

VOLUME 1, ISSUE 10

NO MORE PAPER PR&Cs

As you have no doubt heard many times before, beginning this month PR Web (Acquiline) is mandatory for submitting Purchase Requests to any of USACCE's RCOs. If you don't have a license already, or if you need PR Web training, please contact your RCO or your Resource Management Office immediately.

To schedule training directly with RCO Bavaria, please call Mr. Georg Hoesl, at DSN 475-8720, Mr. Christian Dilling, at DSN 475-8734, or send an email to: cce-gfn-acquiline@graf.eur.army.mil.



U.S ARMY CHIEF REFUSES TO SUBMIT FY08 BUDGET TO PENTAGON

In an unprecedented move that underlines the dire state of relations between the uniformed military and their civilian leaders, the Army's chief of staff, General Peter Schoomaker, has refused to submit his 2008 budget to the Pentagon. He made his protest after the White House and Congress ordered deep cuts to the Army's requests.

It reflects a growing sense among Generals that their forces are being stretched to their limits by their

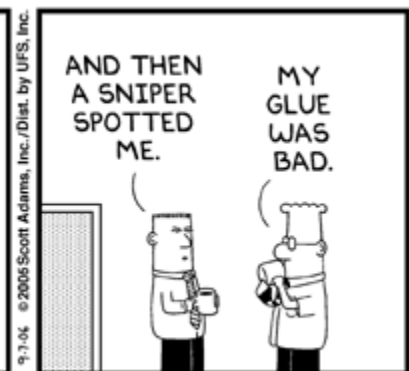
commitments in Iraq and Afghanistan without receiving adequate funding to fulfill them.

Traditionally, budgetary disputes are resolved in negotiations between the Pentagon and Congress. But General Schoomaker escalated the dispute into a confrontation with Mr. Rumsfeld by ignoring the budget deadline of August 15.

The Daily Telegraph, 26 SEP 06.



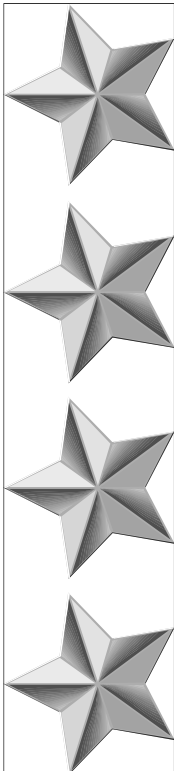
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SERVICE CONTRACTS SUBMITTAL PROCESS



You're probably already painfully aware that all Service Contract Approval Requests (CARs) must be submitted and routed through the G-8 prior to the RMO being able to assign funding. What you may not have know is that the approval process may take up to **45 days**, and that's before it comes here to the RCO.

USAREUR/7A, G-8 submitted the following instructions to the 7A RMOs, and we thought we'd re-print them for you:

All requests for Service Contracts (**including Options**) must be routed to the USAREUR G-8 for approval. Submissions must include: The 5Ws (Who, What, Where, When , Why); Legal Review by USAREUR OJA; the Performance Work Statement or Statement of Work; the Request for Service Contract Approval Form and General Form (the RCO has all of these should you need them). If you have a recent 5W (e.g. from the PAT contract review), omit related questions from the General Form already answered in the 5W. In addition, GWOT has an additional form! Once you have completed your package, you must forward it to your Resource Management Office for processing and forwarding to USAREUR.

NOTE: If you have any items on the FY07 MIPL, start your acquisition process now, if you have not already done so. Contract packages for MIPL items that are approved by the CG will carry over into FY07 if funds are not available in FY06.

Questions? Call our Business Division Manager, Mr. Georg Hoesl, at DSN 475-8720.

WHITE HOUSE REITERATES VETO THREAT ON DEFENSE SPENDING BILL

Final Pentagon spending levels remained in limbo as the Bush Administration restated a threat to veto the FY07 Defense Appropriations Bill if it is cut more than \$4B below its request.

A meeting between the OMB Director, the House Appropriations Chair, and the Senate Appropriations Chair ended in a deadlock, with the OMB telling the Senate and the House that the White House could not accept the Congressional proposal to trim the FY07 Defense accounts — excluding war-fighting funds — by \$5.9B. That is the cut the House and Senate agreed to, in part to add back money for domestic accounts like education and health care. Even with their compromise, the Congress is proposing \$375.5B in Defense appropriations that increases spending by \$17B over FY06. GovExec.com, 19SEP06

FY07 BUDGET RATE:
\$1.00 = Euro .8530

DEPT. OF INTERIOR CONTRACTING SHOP COULD LOSE PENTAGON BUSINESS

Auditors within the Defense Department are circulating a preliminary recommendation that the Pentagon stop doing business with Fort Huachuca, a regional reimbursable procurement operation run by the Interior Department's National Business Center. The basis of the recommendation is unclear.

15SEP06, GovExec.com

IT'S A MYSTERY!

Of the \$270 Billion awarded to private companies, 41% were subjected to "full-and-open" competition, 50% were not, and for a startling 9% , it is unclear how they were awarded.

FedTimes, 18SEP06

PROPOSED AND INTERIM RULES

BY 23 OCT 06

FAR 2005-017, **Requirement to Purchase Approved Authentication Products and Services.** Would add verbiage at FAR Part 4, Administrative Matters, and add the Clause FAR 52.204-9, Personal Identity Verification of Contractor Personnel, in solicitations and contracts when contract performance requires physical access to a federally-controlled facility or information system.

FAR 2005-041, **Internet Protocol V6.** This proposed rule will require all IT to be Internet Protocol Version 6-capable products and services. Sections 7, Acquisition Planning, 12, Acquisition of Commercial Items; and 39, Acquisition of Information Technology, are affected.

BY 07 NOV 06

DFARS 2006-D007, **Prohibition on Acquisition from Communist Chinese military companies.** Effective 15SEP06, this Rule implements Section 1211 of the NDAA for FY06, which prohibits DoD from acquiring goods or services from a Communist Chinese military company if the goods or services being acquired are on the US Munitions List. Since not all USML items themselves are munitions (e.g. military training equipment, to include targetry and simulations equipment), this clause will have a direct impact on a number of acquisitions here at the RCO.

BY 27 NOV 06

FAR 2005-037, **Implement OMB Policy on the Use of Brand Name Specifications.** Effective 28SEP06, the FAR is amended to require agencies to publish on the GPE or e-Buy the documentation required by the FAR to support the use of a Brand-Name specification. FAR Parts 5, 6, 8, 11 and 13 are amended.

FAR 2005-034, **Reporting of Purchases from Overseas Sources.** Effective 28SEP06, all solicitations issued, and contracts awarded, on or after 01OCT06 shall have FAR 52.225-18 or 52.212-3 incorporated. This rule requires Agencies to report to Congress the amount of articles, materials, or supplies that are manufactured outside the US.

FINAL RULES.

DFARS 2003-D044, **Acquisition Planning.** DoD has issued a final rule to update text on Acquisition Planning. The DFARS changes: increase the dollar thresholds for preparation of written acquisition plans; deletes unnecessary text relating to contract administration and class justifications for other-than full-and-open competition; clarifies requirements for funding of leases; and relocates text addressing the contents of Acquisition Plans to the PGI. DFARS Part 207 is affected.

DFARS 2005-D007, **Training for Contractor Personnel Interacting with Detainees.** DoD has adopted as final, with changes, an interim ruled amending the DFARS to implement Section 1092 of the NDA for FY05, which requires DoD contractor personnel who interact with detainees receive training regarding the applicable international obligations and law of the U.S. DFARS Parts 237 and 252 are affected.

FAR Case 2004-033, **Inflation Adjustment of Acquisition-Related Thresholds.** This final rule adjusts acquisition-related thresholds in the FAR for inflation.

- (1) Micro-purchase threshold is increased from \$2,500 to \$3,000 (FAR 2.101);
- (2) FPDS reporting threshold will be raised from \$2,500 to \$3,000 (FAR 4.602(c));
- (3) Commercial Items Test Program ceiling is increased from \$5M to \$5.5M (FAR 13.500);
- (4) Cost and Pricing Data Threshold will be raised from \$550,000 to \$650,000 (FAR 15.403-4); and
- (5) The Prime Contractor subcontracting Plan floor will be raised from \$500,000 to \$550,000, but for construction (\$1,000,000) is unchanged (FAR 19.702).



**PROMPT PAYMENT
INTEREST RATE
JUL 06–31 DEC 06
5.75%.**



PPIRS AND THE PUBLIC KEY INFRASTRUCTURE

Beginning October 1st, the Past Performance Information Retrieval System - Report Card (PPIRS-RC) will require **DoD users (military and civilian)** to present a valid DoD Public Key Infrastructure (PKI) certificate to log into the application.

Beginning November 1st, **DoD Contractors** will be required to present a valid DoD PKI certificate to log into PPIRS-RC.

The requirement for PKI certificates is implemented in accordance with DoD security policy promoting secure electronic transactions. Visit http://www.ppirs.gov/ppirsfiles/pki_info.htm for information regarding implementation of the PKI requirement.

DoD users with a Common Access Card (CAC) should already have a PKI certificate. To verify that a certificate is valid, please visit http://www.ppirs.gov/ppirsfiles/pki_info.htm and click on the "To determine if you have a valid DoD PKI Certificate" link. Those without a CAC must contact his/her Command PKI point of contact for installation of a "soft certificate" on his/her computer.

Contractors who work at a DoD Facility and have a Common Access Card (CAC) should already have a PKI certificate. To verify that a certificate is valid, please visit http://www.ppirs.gov/ppirsfiles/pki_info.htm and click on the "To determine if you have a valid DoD PKI Certificate" link.

Contractor Users Not Working at a DoD Facility may purchase a DoD PKI certificate from one of three External Certificate Authorities (ECAs). The ECAs are vendors that provide digital certificates to DoD's industry partners that are using their own equipment or that are working in non-DoD facilities. A list of ECAs is available at http://www.ppirs.gov/ppirsfiles/pki_info.htm. Each Contractor employee accessing PPIRS-RC or PPIRS-SR will need an Identity Certificate (an Encryption Certificate is not required). Certificate prices range from \$99 - \$115 per certificate per year, with volume discounts available at some ECAs.

Questions regarding PKI may be answered at http://www.ppirs.gov/ppirsfiles/pki_info.htm, or by the Help Desk at 603-431-9460 x486.

OPM RELAXES RULES FOR NON-DoD ACQUISITION PERSONNEL HIRING

Until 30 SEP 07, non-DoD Agencies can bypass normal competitive hiring rules to fill certain acquisition posts. The OPM issued a final rule on 12 SEP 06, giving non-DoD Agencies direct-hire authority for vacancies for which there are severe shortages of qualified candidates.

Jobs that can be filled using the direct-hire authority include entry- and senior-level contracting jobs in the 1102 series, purchasing jobs in the 1105 series, and positions in other series that have significant acquisition functions.

18 SEP 06. Federal Times.

HOUSE PASSES BILL TO END FEDERAL PRISON INDUSTRIES' ADVANTAGE

The House passed a bill to end the Federal Prison Industry's (FPI) procurement preference. HR2965 would eliminate the requirement that Federal Agencies first consider FPI when purchasing goods and services available from FPI.

While the Contractor community applauds the move, a union that represents Federal Prison Guards warns that this move may lead to more prison violence because prisoners will have more idle time on their hands.

18SEP06, Federal Times.



GABI KRAUS IS THE FOURTH QUARTER EMPLOYEE OF THE QUARTER



OUR FY06 SUPER STARS

**KARIN GARCIA, GABI KRAUS, PETER BALSCHER,
AND MONIKA PARZEFALL**

FAREWELL, NORM.

On September 21st, we lost our dear friend and colleague, Norm Thompson.

Besides a heart as big as his chest, Norm had a quick wit and a wonderful sense of humor (he used to say that one of his many talents was his ability to type 60 words an hour (using the “Hunt and Curse” method, of course)). (Honestly, we doubt he was that fast.)

Norm was born in Philadelphia in 1945, and graduated from Temple University with a degree in Music. From 1970—1982, he was an Active Duty Army Officer, when he met Helene (Leni), who in 1974 became his wife. Right after the Army, Norm entered civil service, holding many positions, one of which was 100th ASG Acquisition Management Staff Officer (AMSO), where he was (an unprecedented) two-time recipient of the AMSO of the Year Award.

Norm had many passions: Writing music; taking long walks with his wife; vacationing in Allgaeu and Fuessen; and animals (in keeping with Norm’s wishes, in lieu of flowers (if you wish to donate), please donate to your local Animal Shelter or Tierheim).

Norm is survived by his widow, Leni, and his many, many friends.



NORMAN DAVID THOMPSON

1945–2006



CORPS OF ENGINEERS AWARDED MILLIONS TO “DUMMY” VENDOR

A review of Iraq reconstruction funding revealed that 96 contracts worth \$362 million were obligated for payment to "Dummy Vendor," as opposed to a legitimate supplier.

The Special Inspector General for Iraq Reconstruction (SIGIR) discovered the contract entries in the Army Corps of Engineers' financial management system during a review of agreements signed under the Iraq Relief and Reconstruction Fund 2, a three-year appropriation that expires Sept. 30. Officials with the IG



office determined that the contracts were not properly obligated and will be lost at the end of the month.

In discussions with Army Corps financial managers, investigators learned that the vendor name was used in the contracting system to allow the entry of data where a specific vendor did not exist. That field has since been modified so that Dummy Vendor is not allowed as an entry, they said.

GovExec.com, 28 SEP 06

LESSONS LEARNED FROM IRAQ

The Special Inspector General for Iraq Reconstruction (SIGIR) has a statutory mandate to give advice on how to improve economy, efficiency and effectiveness in Iraq's reconstruction. In its latest contracting report, a series of lessons-learned were drawn from the Iraq experience that are applicable to procurement planning for future contingency operations. They include:

- Involve contracting staff early in contingency planning; Develop deployable information systems that can track all contract actions.
- Create a reserve cadre of contracting officers in contingency contracting that will deploy on extended assignment.
- Designate a single contracting management agency in the theater at the outset of operations;
- Clearly define contracting and

procurement roles among all participating agencies;

- Avoid using design-build cost-plus contracts to execute smaller-scale projects;
- Ensure sufficient data collection for requirements before issuing task orders;
- Use operational assessment teams to improve on-going procurement activities; and
- Judiciously manage the use of sole-source contracting.

The report also provides six prospective recommendations for systemic adjustment within the government. Chief among them is a proposal to develop a new Contingency FAR that would simplify contingency contracting and procurement, while maintaining balance between equity and speed. Federal Times, 18 SEP 06.

Don't Forget!!!

The GPC
Billing Cycle
ends the 19th of
every month.

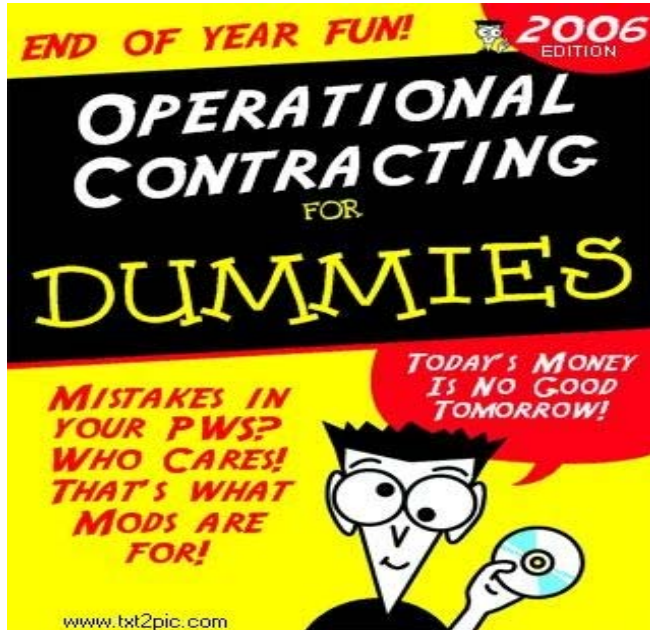
But!!! If the 19th
is on a weekend,
the billing cycle
ends the



RCO BAVARIA

UNIT 28130, APO AE 09114
BUILDING 244, SECOND FLOOR
92655 GRAFENWOEHR

DSN 475-8712, FAX: 475-7258



HOUSE VOTES TO APPROVE DEFENSE SPENDING BILL

The House voted overwhelmingly, 394-22, Tuesday night to approve the final version of the fiscal 2007 Defense appropriations measure, clearing the way for Senate passage of the \$447.6 billion bill Wednesday.

The first of the fiscal 2007 appropriations bills to emerge from a House-Senate conference and reach the House floor, the high-priority Defense bill also serves as a vehicle for a continuing resolution, a stopgap measure that will continue funding for most government agencies at fiscal 2006 levels through Nov. 17.

The legislation also includes a \$70 billion supplemental "bridge" fund -- \$20 billion above the Bush administration's request -- to pay for costs related to the military's combat operations in Iraq and Afghanistan during the initial months of the new fiscal year that begins Sunday. GovExec.com, 28 SEP 06

We're on the web!!
www.usacce.army.mil/graf

GSA OUTREACH

The U.S. General Services Administration (GSA) returns to Heidelberg 16-19 October 2006, with **Outreach Europe 2006**, GSA's premier overseas training conference and trade exposition. This event is **FREE** to all military personnel, civilian personnel, and Foreign Nationals working for the U.S. Government overseas. This year's conference promises to be bigger and better than its predecessors, offering more diverse training sessions, product exhibits and immense opportunity for direct interaction with GSA and its industry partners.

Professionals from both appropriated and non-appropriated fund activities are encouraged to participate. Supply, logistics and contracting personnel, civil engineering staff and housing and facility managers will benefit from attending the conference, along with restaurant/club managers, sports and fitness center directors, directors of community activities and end users.

More than 200 displays from many of America's leading manufacturers and suppliers will showcase security equipment, tools, furniture and furnishings, appliances,

office supplies, IT components, MWR products and food service products and equipment. This year's training conference and exposition will also feature professional and managerial services available from GSA contracts.

A vast selection of training workshops and seminars will be offered, most of which will provide Continuous Learning Points. Topics will include strategic sourcing, Government Wide Acquisition Contracts, performance based acquisition, ordering from GSA, project management, *GSA Advantage!*, e-Buy, federal supply schedules, and much more. GSA will once again partner with the Defense Acquisition University to offer instruction on acquisition related topics. Outreach Europe 2006 also offers opportunities for interactive discussions directly with manufacturers and suppliers. End users can evaluate products and give feedback to GSA associates and their industry partners.

Registration and up-to-date information is available on-line at GSA's **Outreach Europe 2006** web site, <http://apps.fss.gsa.gov/outreacheurope/>.